

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop C4-23-07
Baltimore, Maryland 21244-1850



HEALTH PLAN BENEFITS GROUP

DATE: October 10, 2003

TO: All Medicare + Choice Organizations

FROM: Jean D. LeMasurier
Acting Director

SUBJECT: The Medicare + Choice User Fees for Fiscal Year (FY) 2004

The Medicare + Choice (M+C) user fee for FY 2004 is \$12 million. Effective January 1, 2004, the Centers for Medicare & Medicaid Services (CMS) will assess all Medicare + Choice organizations an amount equal to .045 percent of their calculated monthly payments until the \$12 million in FY 2004 user fees has been collected. This percentage is determined in order to spread the FY assessment of the \$12 million User Fee over the nine-month assessment period. As established under M+C regulations, CMS will assess the User Fee January through September and if necessary the monthly assessment percentage will be adjusted to ensure that no more than \$12 million is collected in FY 2004.

Under the user fee methodology (see 42 CFR section 422.10) the estimated enrollment in M+C organizations for each fiscal year determines the user fee. In calculating the FY 2004 user fee, CMS used the most current Medicare enrollment estimates for FY 2004 available to CMS's Office of the Actuary.

If you have any questions about the 2004 user fee, please contact William Hogue on 410-786-9964 or your CMS Central Office Health Insurance Specialist assigned to your regional area.

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